

# **THE LEONARD LETTER**

*May 1, 2006*

## **QUOTE OF THE WEEK**

*“In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.” --- Bill of Rights, Seventh Amendment to the Constitution*

## **AROUND THE STATE**

### **\*\*\*Time to Shop\*\*\***

The left is urging people to boycott work, school, and stores today, May 1<sup>st</sup>, to show their support for the “right” to enter the U.S. illegally. The idea is to punish the economy and pull students out of public school to protest the American government enforcing its laws. This is the same bizarre logic that tax protesters use when they refuse to pay their taxes.

The great San Francisco Chronicle columnist Debra Saunders has suggested that to counter the protest we all go to work or school, and, in particular, we all go shopping today. I will go even one better. After you shop, find an owner-operated Mexican restaurant run by a hard working entrepreneur and give him, or her, your business.

### **\*\*\*A May Day of Irony\*\*\***

Have you wondered why today was chosen by illegal immigrant advocates as their day of protest? Sure, the weather is great, but I believe the real reason is rooted in the history of May 1<sup>st</sup>. May Day was memorialized in 1884 as the day to protest for an eight-hour work day. At the 1889 convention of the Marxist International Socialist Congress in Paris, the group called for an international worker’s day of protest on May 1, 1890. By the early 1900s, socialists and communists were claiming the day as their own and calling for protests “for the class demands of the proletariat.” The movement picked up steam around the world, and it petered out in the U.S. Laws here changed to provide safer work environments and organized labor turned to celebrating the worker on Labor Day in early September.

I wonder if the protestors grasp the irony of the situation. Those who are skipping work will be able to walk back into their jobs tomorrow with no repercussions. Employers cannot afford to retaliate because unemployment is so low and workers have too many options at their disposal. The protesters are being used by leftist activists to promote

policies that, if implemented, would actually undermine the very thriving economy that draws people to America.

### **\*\*\*History Repeats\*\*\***

In all the coverage of the state Democrat party convention only one reporter put the story in historical context. Bill Ainsworth of the San Diego Union Tribune reminded his readers that the Democrat party previously in 1990 endorsed between two competitive candidates for Governor. The party convention chose to support then-Attorney General John Van de Kamp over Senator Dianne Feinstein. A few weeks later Democrat primary voters rejected their party's endorsement and nominated Feinstein. The truth is that the Democrat party endorsement is worth about one of those slate cards that show up before every election-- not very much.

### **\*\*\*Mrs. Howard Jarvis, R.I.P.\*\*\***

*From the Bill Leonard Blog 4/28/2006*

We lost Estelle Jarvis last week. She was a sweet, quiet partner to her boisterous husband Howard, and together they made history. They fought for taxpayer reform and, with the help of the people of California, they won. When Howard died in 1986 Estelle picked up the leadership of the Howard Jarvis Taxpayers Association. She picked good people to not only keep the Association alive, but to build it up as a political force. She knew that as good as Proposition 13 was, the forces of more government would reverse it as soon as the voters forgot. The HJTA is still working today to make sure that the legacy of Proposition 13 is never forgotten. Thanks, Howard and thanks, Estelle.

## **UNDER THE DOME**

### **\*\*\*Scary Transportation Conclusion\*\*\***

*From the Bill Leonard Blog 4/24/2006*

I just read the California Transportation Commission's annual report to the Legislature. Usually, this is fairly dry reading and stuffy bureaucratese. However, this year's report was refreshingly less bureaucratic, although its conclusion was downright scary. Here is an excerpt:

"The bad news is that state funding for transportation remains unstable, unreliable, increasingly inflexible, and woefully inadequate. For the first time, annual revenues from the basic per-gallon fuel tax and from truck weight fees are insufficient even to meet ongoing state highway maintenance, operations, and rehabilitation costs. As a result, those revenues—which are restricted under the California Constitution to transportation purposes—are no longer available for the construction of transportation improvements. State funding for transportation improvements is now dependent entirely on sales tax transfers, including Proposition 42 transfers (about 70%) and direct transfers to the Public Transportation Account (about 30%). Over the last five years, these transfers have proven to be a notoriously unstable and unreliable revenue source, subject to suspension and diversion in each annual budget. An effective transportation program requires stable and

reliable resources because it usually takes several years of environmental, design, and right-of-way work to make a transportation project ready for construction.”

You can read more at this link:

<http://www.catc.ca.gov/2005%20CTC%20Annual%20Rpt.pdf>

### **\*\*\*Can We Afford to Repair All the Levees?\*\*\***

Last week, I read with great interest that U.S. Senator Dianne Feinstein has publicly argued that fixing California’s levees may be too costly and some Delta islands might need to be sacrificed. I agree.

Fixing our state’s levees has dominated much of the discussion over the Governor’s massive infrastructure bonds. An early version of the proposal would have required a \$3 per month water users’ fee to be paid by all water customers to finance a bond to repair only about 25 miles of levees -- in a state with about 2,600 miles of levees that need our attention. I am pleased to see that this proposal has encouraged a healthy discussion about the costs and benefits of levee repairs. After examining the costs, it seems mathematically certain that we cannot afford to rebuild every levee in the state.

From my perspective, there are two kinds of levees: (1) those that serve a statewide public purpose and (2) those that serve a local purpose. For the first kind of levee, it seems reasonable that the people should pay for the cost of fixing the levees. This includes the levees that deliver fresh water to our state’s massive water projects. Once these projects are identified, we can then discuss whether state general funds or bonds are the best way to pay for the work. For the second kind of levee, such as those protecting local landowners, it probably makes no sense to demand that taxpayers cough up billions of dollars for levee repairs. Both types of levees should be subjected to a rigorous cost/benefit analysis to gauge the true priority of the repair.

## **TAX TIPS**

### **\*\*\*Taxpayer Beware\*\*\***

With tax refund checks being anticipated at any time by so many taxpayers, it is timely to warn people about another internet scam. The phony email appears to be from the IRS and says that you are owed a certain amount of refund and that you will receive it in six to nine days if you respond to the email. You are asked to click on a link that will then take you to a form where you are asked to provide your social security and a major credit card number so that your account can be credited. The IRS does not send emails to taxpayers owed money. If you receive one of these phony emails, notify the IRS. To learn more about the biggest internet tax scam, see this IRS new release:

<http://www.irs.gov/newsroom/article/0,,id=154293,00.html>

# MISCELLANY

## \*\*\*California County History\*\*\*

I represented Inyo County when I served in the state senate, and I am pleased to again be serving the county on the BoE. Inyo County is located in east-central California, on the east side of the Sierra Nevada and south of Yosemite National Park. It was created in 1866 and its seat is Independence. The name “Inyo” is the Indian term for the area’s mountains and means “dwelling place of the great spirit.” Inyo County has many unique geographical features, including:

- Mount Whitney, the highest point in the United States outside of Alaska
- Badwater in Death Valley, the lowest point in the Western Hemisphere
- An ancient Bristlecone Pine named Methuselah is the oldest living thing on Earth
- The Owens Valley, which is the deepest valley on the American continents
- Two mountain ranges exceeding 14,000 feet in elevation: the Sierra Nevada and the White Mountains
- Fourteen of California's fifteen peaks that exceed 14,000 feet in elevation
- The largest escarpment in the United States, rising from the floor of Death Valley to the top of Telescope Peak in the Panamint Range

A great time of year to visit Inyo County is Memorial Day weekend. That weekend, the city of Bishop hosts Mule Days, which is billed as “part mule show, part test of skills, and part Wild West show.” I will be riding in the parade this year, and I encourage you to come enjoy the fun. Visit this site for more details:

<http://www.muledays.org/>

## \*\*\*A Good Read\*\*\*

This week I encourage you to read “Clear the Bridge!: The War Patrols of the USS Tang” by RAdm. Richard H. O’Kane, USN. This is a fascinating story of WWII U.S. submarine warfare in the Pacific. From January to September, 1944 the Tang averaged a ship sinking every 11 days, nearly twice the rate of the nearest rival. Postwar findings indicated that of the 1,560 submarine war patrols, the Tang’s ranked first, third and tied for sixth. One of its least productive patrols (in terms of shipping attacks and partially due to a HQ error in being assigned a patrol area whose principal harbors had been previously mined) included the rescue of 22 airmen, the largest submarine rescue of the war. In the process of that rescue, the Tang set up an ad-hoc, forward air control station to effectively route damaged planes for rescue and do follow-on attacks for maximum effectiveness. Admiral O’Kane is acknowledged as the top submarine skipper of WWII and his personal decorations include three Navy Crosses and the Congressional Medal of Honor. This book helps those of us who were not there to understand the “command” thought process on board the Tang. It was absorbing and inspiring to learn about how to

sustain excellence in operations while overcoming increasing Japanese patrol activities, constant transfers and promotion of trained crew, defective and broken equipment, the nightmare of supply stations thousands of miles distant and occasionally ineffective HQ decisions.

## **BOE AND LEGISLATIVE DATES**

**May 4, 2006** --- Free tax seminar for nonprofit and exempt organizations in Chico (<http://www.boe.ca.gov/sutax/nonprofitsched.htm>)

**May 8, 2006** --- Absentee ballots begin to drop for the June 2006 primary election.

**May 11, 2006** --- Free tax seminar for nonprofit and exempt organizations in San Gabriel (<http://www.boe.ca.gov/sutax/nonprofitsched.htm>)

**May 14, 2006** --- Mothers' Day.

**May 17, 2006** --- BOE meets in Sacramento.

**May 29, 2006** --- Memorial Day.

**May 30, 2006** --- Last day to apply for an absentee ballot for the June 6<sup>th</sup> primary election.

**June 6, 2006** --- Primary election.

**June 13-15, 2006** --- BOE meets in Culver City.

**June 15, 2006** --- Budget bill must be passed by the legislature by midnight.

**June 27-28, 2006** --- BOE meets in Sacramento.

## **NOTABLE DATES/ HISTORY**

**May 1, 1963** --- James W. Whittaker became the first American to reach the top of Mount Everest, the world's tallest mountain.

**May 1, 2003** --- U.S. president George W. Bush declared coalition forces victorious against the regime of Iraqi president Saddam Hussein.

**May 2, 1863** --- During the American Civil War, Confederate General "Stonewall" Jackson was accidentally shot by his own men at Chancellorsville, Virginia; he died shortly after.

**May 2, 1963** --- Republicans condemn the Democrat sheriff of Birmingham, AL for arresting more than 2,000 African-American schoolchildren marching for their civil rights.

**May 3, 1979** --- Margaret Thatcher lead the Conservative Party to victory in Britain's general elections; the next day she was sworn in as the nation's first female prime minister.

**May 4, 1811** --- Harriet Beecher Stowe, the author of Uncle Tom's Cabin and a Republican, was born.

**May 4, 1865** --- President Abraham Lincoln was buried in Springfield, Illinois, nearly three weeks after he was assassinated in Washington, D.C.

**May 4, 1932** --- Notorious gangster Al Capone entered a federal penitentiary in Georgia to begin serving a sentence for tax evasion.

**May 3, 1921** --- West Virginia imposed the first state sales tax.

**May 5, 1925** --- Biology teacher John Scopes was arrested for teaching the theory of evolution, which was outlawed in Tennessee public schools. He was later convicted in the so-called "Monkey Trial."

**May 6, 1937** ---The German dirigible *Hindenburg*, the largest airship ever built, burst into flames upon landing in New Jersey; 36 passengers and crew were killed.

**May 7, 1915** --- The British ship *Lusitania* was torpedoed by a German submarine off the Irish coast; 1,198 people were killed, increasing sentiment in the United States to join World War I.

## GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

## HOW TO CONTACT ME

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